

Ethical behaviour - are you toeing the line?

AUGUST
2020

FA NEWS

FINANCIAL & ADVISORY NEWS

**Latest business inter-
ruption developments
raise more questions
than answers**

Claim stats...
life can change
in a heartbeat

Are South Africa's income
protection benefit providers
ready for COVID-19?

BROKERS REMEMBER: YOU ARE ACCOUNTABLE

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SAGE ADVICE FOR FINANCIAL PLANNERS

when dealing with women entrepreneurs

Women entrepreneurs are creative, focused and driven individuals, whether in the corporate world or when running their businesses.

Most women in business do not only fulfil this role but have many other roles - such as mother, wife, community leader and activist - that take up time and energy. Statistics show that women must work harder in a male-dominated world and they earn, on average, 30% less in the same positions.

As a Financial Transitionist Planner, I have learned that women entrepreneurs have difficulty in striking a balance between their personal lives and their work. Often, their finances are so muddled-up in their work-life that they do not allow themselves time to address and re-evaluate their personal needs.

Compassion is key

The importance of a compassionate approach in financial planning is largely overlooked in conversations between financial planners and women entrepreneurs. They want to be heard, understood and not be instructed or prescribed to. We can assist our clients in a better way by acting as sounding boards. If we present ourselves as vulnerable and encourage difficult conversations, it will lead to a deepened relationship.

Without a strong relationship and knowing that we have their back, we will not get the opportunity to understand and address the areas of insurance that impact their lives or give advice that sticks, as Dr Moira Somers discusses in her book "Advice that Sticks". Getting to the core of all their pain, worry, concern and letting our client understand that we have heard them will add value and trust.

Protecting the breadwinner

Many households are run by single mothers and many of them are entrepreneurs. A lack of sufficient life cover, income protection and dread disease cover could have devastating effects on them and their dependents. Women live longer yet do not save enough for themselves for their 'next lives' as retirees.

Statistics show that 47% of children in South Africa are raised in female-headed households and this shows a trend in a worldwide phenomenon of women becoming the main breadwinners of households. This makes it crucial for women to insure their most important asset – their ability to earn an income and leave a legacy for the people that depend on them.

Women contract dread diseases and more so from a younger age than men, with devastating effects on their finances and well-being, not knowing that they could have insured themselves better.

When unpacking the financial needs analysis for our clients, they might find the figures and the gaps that need to be filled quite daunting. However, it is up to us to lead them to take (at the very least) the first steps. Our task is to create and manage their dreams.

Ask the right questions

Often, discussions about legacy planning for business owners and those in partnerships are neglected. Typical questions that must be asked are:

- Is there a contingency plan in place?
- Does it tie in with my client's will?
- Are there buy and sell agreements in place, should a partner die or leave the business?
- Do we know what the expectations are of the partners in the business and are we managing them?
- Are we doing holistic planning in such a way that it speaks to our client and are we explaining complex solutions simply?
- Do we empower our clients with knowledge and information? Do we keep our commitments in following-up and are we pro-active?
- Are we brave enough to ask the difficult questions to ensure that we get to the client's 'whys' and then find solutions, making sure they are implemented and maintained?

Advisers have a huge responsibility to ensure that women entrepreneurs realise their value as women in business. They must also be made to realise that they should start with themselves and be empowered to make the right decisions.

An international businesswoman in the financial world summarised her need when working with an adviser in the following words: "I would love something empathetic, easy, simple to manage and straight forward!"

Are we getting it right?

Mariette Tappan
Certified Financial Transitionist™
CFP®, CeFT®
Liberty

